

frontier

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July 24, 1997

BY OVERNIGHT MAIL

William F. Caton
Office of the Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: RM-9108

Dear Mr. Caton:

Enclosed for filing please find an original plus four (4) paper copies and one (1) electronic copy of the Comments of Frontier Corporation in the above-captioned proceeding.

To acknowledge receipt, please affix an appropriate notation to the copy of this letter provided herewith for that purpose and return same to the undersigned in the enclosed, self-addressed, envelope.

Very truly yours,

Michael J. Shortley, III

Michael J. Shortley, III

cc: International Transcription Service

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of

MCI TELECOMMUNICATIONS CORPORATION

RM - 9108

Billing and Collection Services Provided
by Local Exchange Carriers for
Non-Subscribed Interexchange Services

COMMENTS OF
FRONTIER CORPORATION

In response to the Commission's Public Notice,¹ Frontier Corporation ("Frontier") submits these comments on the Petition for Rulemaking filed by MCI Telecommunications Corporation ("MCI").² In its Petition, MCI requests that the Commission craft appropriate non-discrimination rules that apply to billing and collection services provided by both incumbent local exchange carriers ("ILECs") and competitive local exchange carriers ("CLECs").

The Commission should grant MCI's petition. MCI has amply demonstrated that such rules -- which the Commission may craft under its Title I jurisdiction³ -- are warranted. At present, there are no adequate substitutes for

¹ Public Notice, *MCI Telecommunications Corporation Files Petition for Rulemaking Regarding Local Exchange Company Requirements for Billing and Collection of Non-Subscribed Services*, DA 97-1328 (June 25, 1997).

² *MCI Telecommunications Corporation -- Billing and Collection Services Provided by Local Exchange Carriers for Non-Subscribed Interexchange Services*, Petition for Rulemaking, RM-9108 (May 19, 1997) ("Petition").

³ Petition at 10-13.

Like MCI (*id.* at 14), Frontier also does not believe that the Commission should restore Title II common carrier regulation to govern LEC-provided billing and collection services.

LEC-provided billing and collection services for non-subscribed services.⁴ Moreover, the provision of such services promotes the public interest.⁵

MCI has also demonstrated that certain actions undertaken by certain ILECs threaten to disrupt this market.⁶ Frontier itself has experienced anti-competitive practices in this area. One ILEC, for example, informed Frontier that it would not enter into a new billing and collection agreement with Frontier's casual calling subsidiary -- Budget Call Long Distance, Inc. ("Budget Call") -- unless Budget Call agreed to essentially draconian terms. This ILEC presented to Budget Call a contract containing a "Complaint Reduction Program" under which the ILEC would charge Budget Call \$1,000 per end-user complaint/inquiry above a certain minimal threshold. The ILEC presented this contract to Budget Call on a "take-it-or-leave-it" basis despite: (a) its having received no complaints regarding Budget Call's service; (b) its refusal even remotely to justify its threshold or cost-justify its charges; (c) its failure even fully to document the program, clearly delineate the circumstances under which these complaint/inquiry charges would apply or even present appropriate contract language;⁷ and (d) the ILEC's clear option of referring end-users directly to Budget Call.

⁴ *Id.* at 6-10.

⁵ *Id.* at 3-5.

⁶ *Id.* at 14.

⁷ The "Complaint Reduction Program," as contained in an Attachment to the proposed contract, contained little more than a series of bullet points.

The ILEC presented the contract to Budget Call with an ultimatum to sign in less than thirty days or it would cease providing billing and collection services at the end of that period. Because no acceptable alternatives to that ILEC's billing and collection services existed, Budget Call had no choice but to execute the proffered contract.⁸ Clearly, this type of behavior warrants Commission action.

MCI also requests that the Commission consider similar rules to govern the provision of billing and collection services for non-subscribed interexchange services by CLECs. Given the dramatic differences in size, market power and the like between ILECs and CLECs, Frontier does not believe that rules are needed to govern the provisioning of billing and collections services by CLECs. Nonetheless, because it may be useful to develop the record on this issue, Frontier does not oppose MCI's petition in this regard.

⁸ Frontier also understands that other ILECs are actively considering adopting similar types of plans.

For the foregoing reasons, the Commission should grant MCI's Petition and initiate a rulemaking into LEC provision of billing and collection services for non-subscribed interexchange services.

Respectfully submitted,


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July 24, 1997

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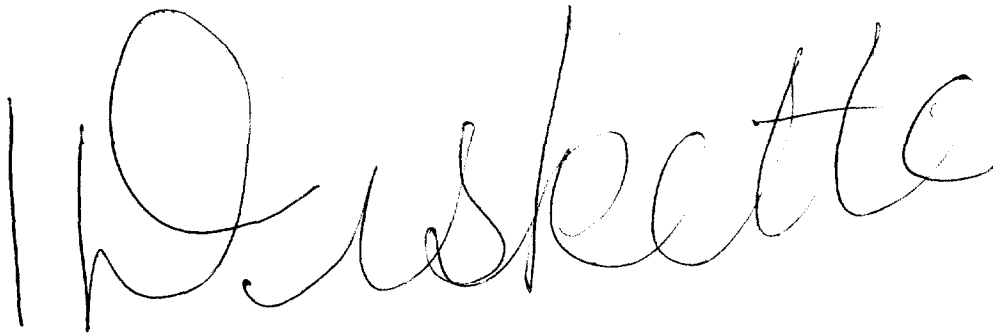
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A large, handwritten signature in cursive script, appearing to read "W. J. Skettie". The signature is written in dark ink on a white background.